Retain Members and Build Brand Loyalty by Delivering Positive Payment Experiences

Payspan Introduces Innovative Approach for Health Plans
with Premium Payments as the Foundation

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Introduction

Research shows that the customer experience is playing an increasingly powerful role in the healthcare industry.[1] With millions of dollars of revenue tied to CMS Five-Star Ratings, and HEDIS and member satisfaction scores, health plans are looking for ways to create positive experiences that lead to customer retention.

While a customer's experience includes a number of factors from start to finish, the payment experience in any industry is a powerful influencer of whether a consumer becomes a brand loyalist. No matter what a consumer is purchasing, the payment experience is always at the center of the overall experience.

Today's technologically savvy consumers want digital payment experiences, choice and convenience. This presents a challenge for health plans. Most have fallen behind in relative terms to other major industries in the latest payment technologies that have come to characterize a positive payment experience.

As a result, health plans are in danger of losing potentially loyal members, increasing their customer acquisition costs and lowering their customer lifetime value.

In this ebook, you will gain an understanding of:

- The importance of consumer experiences and their impact on business success
- The latest digital payment trends and upcoming payment technologies
- A member engagement approach that provides a foundation for positive payment experiences beyond online premium payments
- How Payspan's approach meets consumer demands and tailors services for diverse, complex needs across the population

As the Consumer Experience Takes Center Stage, a New Threat Emerges

Health plans are moving rapidly to deliver exceptional consumer experiences. As more businesses have realized the true impact of the consumer experience on the bottom line, a new threat to success has emerged– the "empowered consumer."

A 2018 report examining what kinds of experiences drive customers away showed that "brands are failing to create the positive, emotional experiences that drive customer loyalty."[2] How consumers experience the payment process is crucial, as people can get very emotional about money. The report revealed that 67% of customers have become "serial switchers" – customers willing to switch brands because of poor customer experiences – resulting in a loss of $75 billion.

With member satisfaction now playing a significant role in revenue generation, health plans must find ways to endear members to them and avoid a negative reputation if they want to be successful. A consumer experience survey showed that 54% of consumers share about customer service experiences with at least five other people, while 88% are influenced by online reviews in their purchasing decisions.[3]

Members of national, regional and Blues health plans indicated in a recent survey that the foundation of having a satisfying experience is the delivery of digital shopping and plan management tools through mobile channels.[4] These survey results demonstrate that an investment in digital transformation should be a priority for health plans' member engagement strategies.

Members Prefer Digital Experiences[4]

30% of members are lukewarm about customer support and want more digital features in all of their health plan services.

40% of members are not satisfied with web, mobile and digital self-service features.

84% of members prefer digital interaction with health plans.

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

-Warren Buffett

Health Plans on the Edge: Crossing the "Digital Divide"

In 2014, Deloitte published a report on what they termed the "digital divide" – the growing gap between customer demands for digital shopping and payment tools and retailers' ability to meet those demands.[5] Over the past few years, many industries have risen up, but health plans are still lagging behind.

Most small to medium-size health plans right now are on the edge of the digital divide and need help by outside sources. Companies like Amazon, Uber and Starbucks have set a high bar for customer service while driving a culture of consumers with high expectations for digital payment experiences.

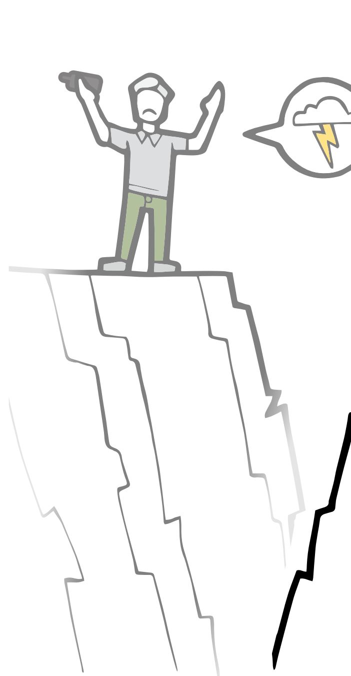
These companies, perhaps more than any other, as part of their commitment to customer experience, demonstrate the power that a positive payments experience can have on business.

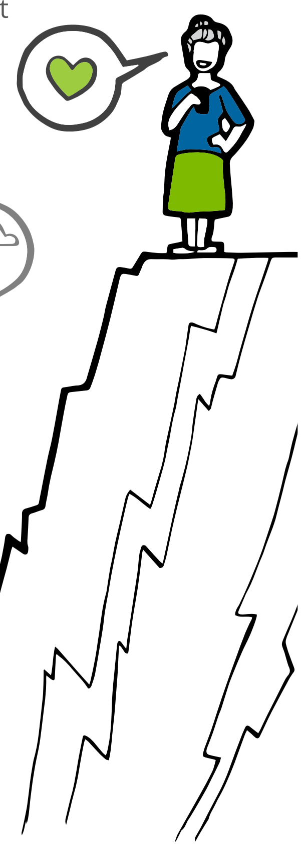
- **Amazon never stops coming up with new ideas.** Just take their Amazon Go grocery store in Seattle as an example. Customers don't even have to open their wallets.
- **Uber built its $68 billion company on a simple mobile app.** Customers grab rides anywhere without having to stop and pay the driver manually before exiting the car.[6]
- **Starbucks' mobile app drives more business.** It has made the purchase of coffee such a seamless, convenient experience that a third of its transactions flow through the app.[7]

These successes demonstrate the power that flexible payment options, ease of use and convenience can have on customer choices and whether they decide to keep coming back.

Now is the Time to Catch Up

Technology never sleeps. If health plans want to be competitive, now is the time to build a strong foundation from which to build newer and better payment choices rather than fall behind in the race to attract new members.

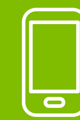




"Your most unhappy customers are your greatest source of learning."

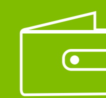
-Bill Gates

8 Upcoming Payment Technologies



- Contactless payments via mobile phones

- Coin Card – one card that represents multiple credit cards



- Digital wallet services

- Blockchain

- Biometric IDs

- Voice transactions

- Chips implanted under the skin

- Accessories with built-in payment capabilities

The Payspan Approach Part I: Using Premium Payments to Create Positive Experiences

Just as Amazon started out with a simple online payment process and expanded its options over time, health plans will need to keep wowing their customers with additional payment-related features if they want to offer the kind of value and satisfaction that drives customer retention.

Implementing an online premium payments capacity is just the beginning. Providing a way for members to pay online is a step toward satisfying the consumer demand for digital payment options, but much more goes into creating a positive payment experience.

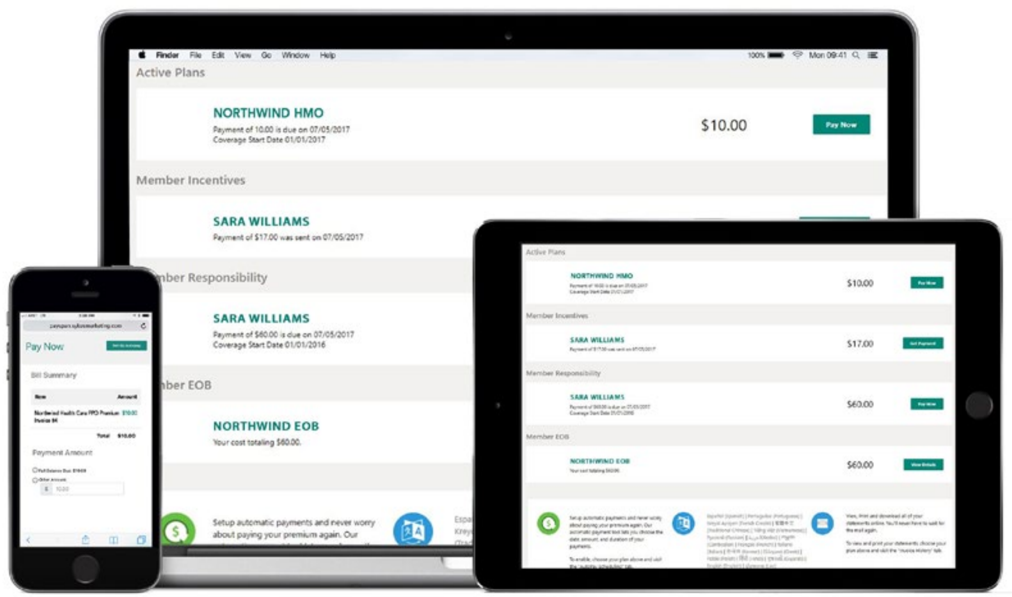
Payspan has created a flexible, user-friendly payment function that is delighting members and opening the door for health plans to build positive relationships with members beyond payments. Our robust payment function offers:

- Flexible online payments via ACH, credit and debit, single payments and autopay
- Multilingual online and IVR capabilities
- Management of premium payments for split households
- Help understanding payment responsibility
- An easy, white-label solution that represents your brand
- Online access to payment and transaction history
- Single sign-on access from the health plan's member portal
- Financial reconciliation reporting
- Differentiated business rules for binder and premium payments
- Excellent support website for health plan member services staff
- ANSI 820s for posting of settled transactions

The Payspan approach leverages the payments function as the gateway to brand loyalty, which could never be achieved without a positive payment experience.

"There is only one boss – the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

-Sam Walton



Extending Positive Payment Experiences to a Broader Population

Creating positive payment experiences for everyone can be challenging since all health plans have sub-populations with special needs that may hinder collection of payments.

- **Roughly one-third of Americans do not have broadband Internet service at home.**[8] This population consists mostly of socioeconomically disadvantaged, elderly, less educated or rural people, who may be more likely to pay if offered phone payment options using an IVR system.

- **One out of five people in the United States speak a foreign language at home.**[9] This means 20% of a health plan's population may need multilingual payment options via an IVR phone system to pay consistently and on time.

- **More than a third of members come from split homes.**[10] These members may be grateful to have a tool that lets them update their dependents and adjust their premiums on their own without having to call the health plan or deal with paperwork.

Payspan has integrated these services into the payment function to ensure that health plans are engaging broader, more diverse and complex populations in the payment process.

Tailoring the process to meet these unique needs can make the difference of whether a member decides to "switch" to another plan.

"Our job is to invent new options that nobody's ever thought of before and see if customers like them."

- Jeff Bezos

The Payspan Approach Part II: Using Positive Payment Experiences to Build Lasting Relationships

Now that health plans must compete for members by boosting star ratings, and HEDIS and member satisfaction scores, they will need to model companies like Amazon that take on the challenge of finding new and better ways to impress and keep their customers happy.

Payspan developed a unique approach to help health plans leverage the positive payment experience to communicate about additional financial initiatives. Our developing solution includes enabling health plans to share additional healthcare financial information with members by delivering it to the members' profile where it can be stored and accessed by members as needed.

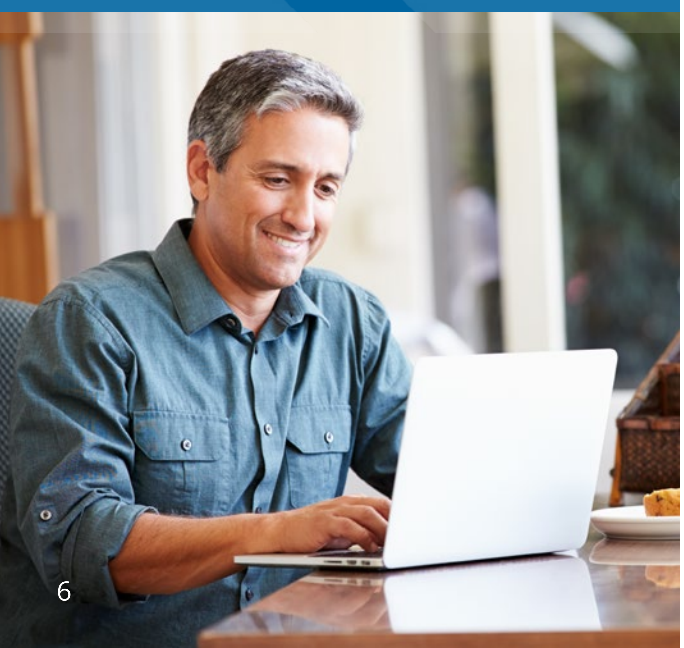
Members will effortlessly navigate from the health plan member portal to the white label payment portal via single sign-on. There, they can review and pay health insurance premiums and access other healthcare financial information, such as:

- Electronic EOBs
- Member responsibility payment information
- Incentives earned by wellness activities
- Invoice and transactional history

Since the payment experience plays such a powerful role in whether a consumer bonds with a brand, if health plans fail to deliver a positive, personalized experience, it won't matter how good their other services and benefits are for the consumer. Simply put, if a health plan's payment experience is positive, they are likely to be successful, but if not, they are at risk of losing members to other plans.

"Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves."

-Steve Jobs



Members Not Just "Members" Anymore

While there are five measures that go into determining a health plan's star ratings, the member experience now exerts seemingly disproportional influence over the other four categories. In part, it's the result of CMS ratings giving more weight to health outcomes and patient satisfaction than plan operations.

But the real story behind the new power of the member experience is the rise of healthcare consumerism. Members are not "members" anymore. They are "empowered consumers" whose dissatisfaction can take down businesses, even huge ones. Take Blockbuster as an example.

While analysts reported that the giant video rental company failed because of the advent of streaming video and Netflix, consumer advocate Christopher Elliott presents another point of view. He says consumers were so frustrated with poor customer service that they were happy to dump Blockbuster when Netflix emerged.[11] Blockbuster tried to compete, but consumers never gave them a chance.

While health plans are not big retailers like Amazon and Blockbuster, all companies are susceptible to universal truths about consumer service and the payments experience. These big retailers each took different paths that offer valuable lessons.

It will be up to each health plan to decide what path they will take. Their choice will determine whether their members become "serial switchers" or brand loyalists".

There are companies that operate huge global networks of retail stores, like us. ... And a few do an extraordinary job of building emotional connections with their customers, as we have learned to do."

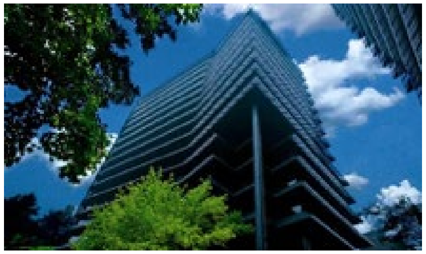
- Howard Schultz

Improve your health plan's member engagement, satisfaction and brand loyalty while increasing premium payment collections.

Learn more about Payspan's Premium Payments/Member Engagement Solution.

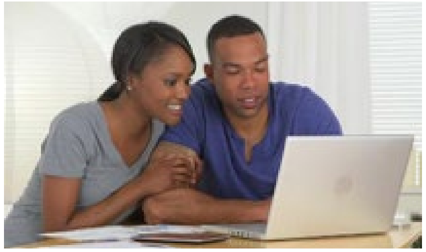
Call 844-400-4043
Email salesteam@payspan.com
Visit www.payspan.com/premium-payments/

We Simplify Healthcare Payments



LEADERSHIP

Leading provider of electronic healthcare reimbursement and payment solutions.



NETWORK

More than 600 health plans, 1.3 million providers and 100 million consumers.

QUALITY

Our network improves value-based reimbursement, patient experience, and cost reduction.

PAYMENT

Alternative payment and reimbursement solutions that orchestrate stakeholders.

About Payspan

Payspan is the nation's leading provider of healthcare reimbursement and payment automation services, leveraging the largest healthcare network in the United States to drive value-based care reimbursement, improve the patient experience and reduce costs for payers and providers. Payspan connects more than 600 health plans, 1.3 million provider payees and 100+ million consumers to facilitate alternative payment and reimbursement solutions and the exchange of meaningful healthcare information.

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